

BALL JANIK LLP

A T T O R N E Y S

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RECORDATION NO. 20787 FILED

JUL 23 '97

2-13 PM

July 23, 1997

Honorable Vernon A. Williams  
Secretary  
Surface Transportation Board  
Washington, DC 20423

Dear Secretary Williams:

I have enclosed two originals of the document described below, to be recorded pursuant to 49 U.S.C. § 11301.

The document is a Memorandum of Lien, a primary document, dated as of June 27, 1997. We request that this document be given the next available recordation number.

The names and addresses of the parties to the Memorandum of Lien are:

Lender:

Locomotive Leasing Partners, L.L.C.  
Four Embarcadero Center, Suite 2200  
San Francisco, CA 94111

Debtor:

Independent Locomotive Service, Inc.  
21 Main Street  
Bethel, MN 55005

A description of the equipment covered by the Memorandum of Lien consists of one GP-10 diesel electric locomotive numbered ILSX 1360.

RECEIVED  
SURFACE TRANSPORTATION  
BOARD

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Counterparts - [Signature]

BALL JANIK LLP

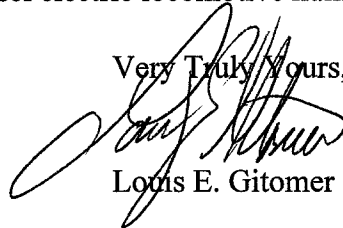
Honorable Vernon A. Williams  
July 23, 1997  
Page 2

A fee of \$24.00 is enclosed. Please return one original to:

Louis E. Gitomer  
Of Counsel  
Ball Janik LLP  
Suite 225  
1455 F Street, N.W.  
Washington, DC 20005

A short summary of the document to appear in the index follows: a Memorandum of Lien between Locomotive Leasing Partners, L.L.C., Four Embarcadero Center, Suite 2200, San Francisco, CA 94111, and Independent Locomotive Service, Inc., 21 Main Street, Bethel, MN 55005, covering one GP-10 diesel electric locomotive numbered ILSX 1360.

Very Truly Yours,

A handwritten signature in black ink, appearing to read 'Louis E. Gitomer', is written over the typed name.

Louis E. Gitomer

Enclosures

JUL 23 '97

2-13 PM

## MEMORANDUM OF LIEN

This Memorandum of Lien is made and entered into as of June 27, 1997, by and between LOCOMOTIVE LEASING PARTNERS, L.L.C. ("LLP"), as seller and lender and INDEPENDENT LOCOMOTIVE SERVICE, INC. ("ILS"), as purchaser and debtor.

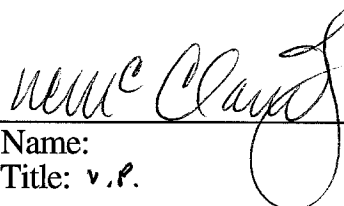
1. ILS has purchased certain locomotives from LLP pursuant to the Locomotive Purchase Agreement dated as of June 27, 1997 (the "Purchase Agreement") between LLP and ILS.

2. Pursuant to the Purchase Agreement, ILS has granted to LLP a security interest in the following locomotive owned by ILS:

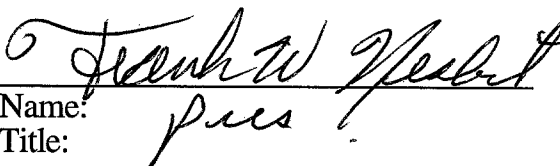
GP-10 diesel electric locomotive, Road Number ILSX 1360

IN WITNESS WHEREOF, the parties have executed this instrument as of the day and year first above written.

LOCOMOTIVE LEASING PARTNERS, L.L.C.

By:   
Name:  
Title: v.p.

INDEPENDENT LOCOMOTIVE SERVICE, INC.

By:   
Name:  
Title: pres.

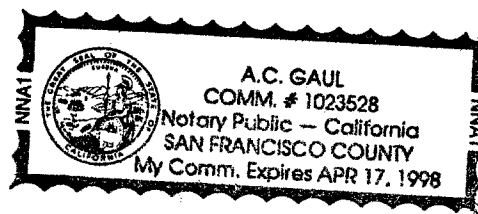
STATE OF California )  
COUNTY OF San Francisco ) SS.:

On this 21 day of July, 1997, before me personally appeared W. McClain Jr., to me personally known, who being by me duly sworn, says that [he/she] is a V.P. of Locomotive Leasing Partners that [one of the seals affixed to the seals affixed to the foregoing instrument is the corporate seal of said corporation, that] [the foregoing] instrument was signed [and sealed] on behalf of said corporation by authority of its Board of Directors, and [he/she] acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

A.C. Gaul  
Notary Public

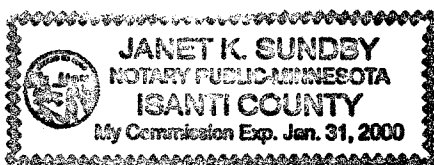
[Notarial Seal]

My Commission expires →.



STATE OF Minnesota )  
COUNTY OF Isanti ) SS.:

On this 9th day of July, 1997, before me personally appeared Frank W Nesbitt to me personally known, who being by me duly sworn, says that [he/she] is a Pres of Independent Locomotive that [one of the seals affixed to the seals affixed to the foregoing instrument is the corporate seal of said corporation, that] [the foregoing] instrument was signed [and sealed] on behalf of said corporation by authority of its Board of Directors, and [he/she] acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.



[Notarial Seal]

Janet K. Sundby  
Notary Public

My Commission expires 1/31/2000.